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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 04/23/08

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Articles:

- 1) Japan to offer 36.4 billion yen in fresh yen loans to Iraq

ASAHI (Page 4) (Excerpts)  
April 23, 2008

The Ministry of Foreign Affairs (MOFA) yesterday announced that it would offer Iraq a total of 36.4 billion yen in yen loans for reconstruction of that country. The new yen loans will cover a water and sewerage project (worth some 34.2 billion yen) for the Kurdish region in northern Iraq and preliminary work (worth some 2.14 billion yen) for a plan to improve the sewerage facility in Iraq's capital of Baghdad.

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This new yen loans are part of the assistance amounting to 5 billion dollars (some 515.7 billion yen) Japan promised in 2003. Including fresh yen loans this time, the yen loans Japan provides to Iraq will total 276.8 billion yen.

In Iraq, the water and sewerage facilities have been deteriorated due to economic sanctions and disputes. Particularly in the Kurdish region that was hard oppressed in the Hussein regime, water supply is restricted to one hour per day in some areas. In the summer of 2007, cholera spread primarily because of declining quality of drinking water.

- 2) Government approves at cabinet meeting additional sanctions against Iran

MAINICHI (Page 2) (Full)  
April 23, 2008

Concerning Iran's nuclear issue, the government at a cabinet meeting on April 22 adopted economic sanctions intended to freeze the assets of 12 organizations and 13 individuals that have been newly designated by the United Nations Security Council (UNSC).

The move is in response to the third resolution on sanctions on Iran, which the UNSC adopted on March 3. Now 35 organizations and 40 individuals are subject to the government's asset freeze policy. Foreign Minister Masahiko Koumura at a cabinet meeting on the 22nd noted, "It is necessary to deal with the matter with resolution from the perspective of firmly maintaining the nuclear nonproliferation policy and the connection to the North Korea nuclear issue."

- 3) Japan looking for ways to refuse entry into Japan by Reporters without Borders but has not yet found any grounds for that

ASAHI (Page 4) (Full)  
April 23, 2008

The Paris-based activist group Reporters without Borders (RSF), which calls on the countries across the world not to take part in the Beijing Olympics opening ceremony, plans to visit Japan in order to stage a protest against the torch relay in Nagano slated for

April 26. This group's plan has become a headache for the Japanese government. The government wants to avoid any trouble over the torch relay, but it has not yet found any legal grounds for Japan to withhold an entry permit to that group.

RSF was organized by journalist Robert Menard in 1985. It has staged protests since 2001, when Beijing was chosen as the venue for the Olympic Games. At the time of the flame-lighting ceremony in Greece in March, Menard and some other journalists unfurled a banner showing the Olympic rings as handcuffs, and they were detained by Greece authorities. Menard and other journalists plan to stage a protest against the Beijing Olympics in Nagano by putting up a banner. Reportedly, they are to depart for Japan on April 22.

Meanwhile, the Japanese government has begun studying the possibility of whether it can refuse their entry into Japan. As a high-level government official noted, "It's inconceivable that the group will come to Japan for peaceful purposes. We'd like it to constrain it from visiting Japan."

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According to a government official, the Ministry of Justice (MOJ), a government office that decides whether to accept an entry into Japan by foreigners, was behind the scenes asked by the Prime Minister's Official Residence to look for legal grounds to refuse the group's entry into Japan. The high-level government official claimed: "Given that the Group of Eight (G-8) Toyako Summit is nearing, it is only natural for Japan to make a move to prevent any trouble. This is not subject to any criticism as violating the freedom of press and the freedom of assembly."

Under the rules in the Immigration Control Law, even though individuals were detained by the police in the past, if they were not sentenced to one year or more in jail, Japan has no reason to reject their entry into Japan. Justice Minister Hatoyama noted at a news conference yesterday: "As an exceptional case, Japan can refuse foreigners' entry into Japan. For now, I've not heard any discussion held to examine whether the group's plan to enter Japan comes under an exceptional case."

A senior MOJ official said: "Because we have little information about the group, for instance, for what purpose the group plans to visit Nagano, it is difficult indeed to make a decision." The MOJ intends to screen during immigration processing at the airport Menard and determine whether the protest Menard plans to stage will be legal, and then make a final decision whether to allow his group to enter Japan.

4) First Japan-China-ROK summit to be held in Japan in September to discuss North Korean nuclear program and other issues

MAINICHI (Page 1) (Abridged slightly)  
April 23, 2008

Japan will host in September the first regular Japan-China-South Korea summit meeting, several government sources revealed yesterday. In his meeting with Prime Minister Yasuo Fukuda on April 21, South Korean President Lee Myung Bak announced support for Japan hosting the first trilateral summit this year. The government will begin making administrative-level preparations after a formal agreement is reached between the prime minister and Chinese President Hu Jintao in May.

Trilateral summits have been held on the sidelines of ASEAN summits. In a meeting last November among Prime Minister Fukuda, Chinese Premier Wen Jiabao and then South Korean President Roh Moo Hyun, an agreement was reached to hold trilateral summits in rotation apart from ASEAN.

The three countries have decided that it would be appropriate to coordinate views ahead of the APEC summit to be held in Peru in November. In their first trilateral summit, the leaders of the three countries are likely to discuss wide-ranging topics, such as the North Korean nuclear issue, environmental issues, and the conclusion of a Japan-China-South Korea investment pact.

Ahead of the summit, the foreign ministers of the three countries are scheduled to meet in Japan to coordinate views. Although Japan and South Korea made it clear at the April 21 summit to strengthen bilateral ties, there still remain gaps in measures between the two countries and China over the North Korean issue and other matters.

5) Yamasaki planning suprapartisan lawmaker group visit to North

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Korea after Second Phase Actions taken

NIKKEI (Page 2) (Full)  
April 23, 2008/04/23

It was learned on April 22 that a suprapartisan group of lawmakers led by Taku Yamasaki of the Liberal Democratic Party (LDP) is planning to visit North Korea. They intend to travel right after the Second Phase Actions for the Implementation of the Joint Statement are taken. The Second Actions include the dismantlement of nuclear weapons, including a declaration of the nuclear development program, as agreed on at the six-party talks to discuss North Korea's nuclear issue. They want to make their visit to Pyongyang a breakthrough in the issue of the abduction of Japanese nationals.

Yamasaki has already conveyed his intention to visit North Korea to Prime Minister Yasuo Fukuda and Vice Foreign Minister Mitoji Yabunaka. Tetsundo Iwakuni of the Democratic Party of Japan (DPJ or Minshuto) is also expected to join the delegation.

Viewing that U.S. President Bush will notify Congress of his decision to delist North Korea as a state sponsor of terrorism if the Second Phase Actions issue is settled, Yamasaki and other lawmakers plan to visit Pyongyang right after those actions are taken. They want to extract some concession from North Korea within 45 days until Congress formally decides to take North Korea off the black list. However, it is unclear whether North Korea will accept a Japanese delegation. Yamasaki met with Song Il Ho, North Korea's ambassador in charge of normalization talks with Japan, when he visited Pyongyang in January last year.

The Second Phase Actions include normalization of ties between Japan and North Korea as well as ties between the U.S. and North Korea. However, with North Korea standing firm on its stance that the abduction issue has been settled, the prospects remain dim for finding a breakthrough.

6) Prosecutors may raid consulting firm today over disposal of chemical weapons in China

SANKEI (Page 1) (Abridged)  
April 23, 2008

A task force of the Tokyo District Public Prosecutors Office seems to have decided to raid the Pacific Consultants International (PCI) group, a major consulting firm for construction projects, over its undertaking of abandoned chemical weapons (ACW) in China. The task force, now looking into PCI's illegal payments for the ACW project, is likely to investigate at least three former PCI executives today, including a 71-year-old former chairman, on the charge of causing PCI to sustain a loss of about 120 million yen through intergroup fictitious transactions. The task force raided PCI and its affiliates in October last year and is expected to investigate the flow of murky money over the project funded with a huge amount of money from the state coffers.

The illicit payoffs were made over a government-sponsored ACW disposal project in China. A joint venture of PCI and other firms received orders for consulting services from fiscal 1999 through fiscal 2003. In fiscal 2004 and afterward, however, Abandoned Chemical Weapons Disposal Corporation (ACWDC), a Tokyo-based firm newly established by the PCI group, was the only contractor for the

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project. ACWDC asked PCI and others to undertake the project in part.

ACWDC entrusted PCI with some of the project's undertakings for about 300 million yen from fiscal 2004 through fiscal 2005. The former PCI chairman and some other PCI executives conspired to have PCI subcontract Pacific Program Management (PPM), one of the PCI group's member companies, for fictitious transactions. They are suspected of having PCI make illicit payoffs to PPM totaling 120 million yen, broken down into about 90 million yen in 2004 and about 30 million yen in 2005.

7) Government, ruling bloc to take a revote on bill restoring provisional gasoline tax rate on April 30

ASAHI (Page 1) (Full)  
April 23, 2008

The government and the ruling bloc yesterday decided to take a revote on the government-sponsored tax system reform-related bills and readopt them by a two-third majority in the Lower House in order to restore the provisional tax rates for gasoline and other items. If the provisional tax rates are left expired, the central and local governments will suffer a revenue shortfall amounting to some 2.6 trillion yen annually. The government intends to minimize the impact of the revenue shortage on road construction and local finances by taking a revote on the bills. This means that the gasoline price is certain to be hiked in May.

Assuming that the ruling parties put the bills on a revote in the Lower House on April 30, the opposition bloc, including the Democratic Party of Japan (DPJ), which dominates the Upper House, is considering submitting a censure motion against the prime minister. If the censure motion is adopted in the Upper House, the Diet could come to a grinding halt. The ruling and opposition parties are likely to engage in a fierce confrontation after the 30th.

The government's tax system reform-related bills cleared the Lower House on Feb. 29 and were sent to the Upper House. At present the bills are being discussed at the Upper House Committee on Financial Affairs. If the bills are not adopted by April 28, the bills can be put to a revote in the Lower House on April 29 or after in accordance with the 60-day rule of the Constitution of regarding the bills as being rejected in the Upper House. As April 29 is a national holiday, the ruling block will call a Lower House plenary session on April 30 and put the bills to a revote.

Prime Minister Fukuda yesterday discussed how to deal with the now expired provisional tax rates with ruling Liberal Democratic Party Secretary General Bunmei Ibuki and Chief Cabinet Secretary

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Machimura. After the discussion, Ibuki told reporters: "As the party in power, we can't wink about the difficulties local governments are suffering. Our common perception is that we should avoid issuing deficit-covering government bonds."

8) With the override vote on the provisional tax rates coming, calls come from the ruling camp for a short extension of the Diet session, with consideration given to the Diet being in a deadlocked state

YOMIURI (Page 4) (Excerpt)  
April 23, 2008

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With the decision by the government and ruling parties to carry out a Lower-House override vote on tax-related bills rejected by the Upper House that would restore the provisional taxes, including the gasoline tax, it has become increasingly uncertain whether the remaining bills can be dealt with during the remaining part of the Diet session. Voices have emerged in the ruling camp calling for a short extension of the regular session of the Diet that goes to June 15 in order to pass by Lower House override votes those bills rejected by the Upper House.

9) DPJ split over filing censure motion against prime minister

YOMIURI (Page 4) (Excerpt)

April 23, 2008

On the question of filing an Upper House censure motion Prime Minister Fukuda, Democratic Party of Japan (DPJ) Secretary General Yukio Hatoyama yesterday heard the views of the other executives of the four opposition parties. Arguments, both for and against submitting a motion, were presented, and a way to coordinate a position could not be found.

Although both points of view agreed that public opinion had to be observed, the view in favor of a censure motion argued, "If we don't submit it, apprehension about dissolution of the Lower House would grow, and we could take a big blow." The view reluctant to submit a motion analyzed: "If we pass a censure motion, it would mean rejecting all deliberations in the Diet, but if that continued, public opinion would react negatively, and the boycott could not be sustained in the party."

10) "Mr. Koizumi, who introduced the medical system for the elderly, must explain it in person"; LDP leaders call for Koizumi's stumping for LDP Yamaguchi by-election candidate

MAINICHI (Page 5) (Abridged slightly)

April 23, 2008

"(Former Prime Minister Junichiro) Koizumi and others who took the initiative in introducing the medical system for the very old should fulfill their accountability."

In yesterday's LDP General Council meeting, many urged Koizumi and former Economic and Fiscal Policy Minister Heizo Takenaka to stump for the LDP candidate running in the House of Representatives by-election for the Yamaguchi No. 2 constituency and fulfill their accountability, given the fact that he is fighting an uphill battle due to the fierce public reaction to the medical system for the elderly (over 75).

Defending the current party leadership, former Secretary General Koichi Kato called for Koizumi's and Takenaka's support, saying: "Prime Minister Yasuo Fukuda and Secretary General Bunmei Ibuki were not in the current posts when the system was introduced." The LDP Yamaguchi prefectural chapter also requested stumping by Koizumi, who is still popular. Although Ibuki replied, "I will ask Mr. Koizumi," the former prime minister remains reluctant to visit the constituency. Realizing the request seems difficult.

11) Former Defense Minister Koike eager to join hands with former members of now defunct Japan New Party

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ASAHI (Page 4) (Full)

April 23, 2008

She, who hails from the defunct Japan New Party (JNP), may play the role of realigning political parties.... Former Defense Minister Yuriko Koike yesterday delivered a speech in Tokyo, in which she cited lawmakers' names of former JNP members as her fellow lawmakers and expressed enthusiasm to join hands with them, saying; "Former members of the JNP are found here and there. I'd like to play the role of stage director in the divided Diet so that lawmakers can behave as 'adults' by giving priority to the state instead of political games."

The names cited by Koike as her fellow lawmakers included Prime Ministerial Advisor Tatsuya Ito, Environment Minister Kamoshita, and House of Representatives member Toshimitsu Motegi of the ruling Liberal Democratic Party (LDP), and Seiji Maehara, former president of the major opposition Democratic Party of Japan (DPJ) and former DPJ Policy Research Council Chairperson Yukio Edano. Because Koike dined with former Prime Minister Koizumi, Motegi, Maehara and others in Tokyo on April 9, her moves fuel speculation that she has established a foothold for political realignment.

12) DPJ mulling establishing post of consumer protection officer to counter premier's plan to set up consumer agency

MAINICHI (Page 2) (Slightly abridged)  
April 23, 2008/04/23

The Democratic Party of Japan (DPJ or Minshuto) yesterday firmed up an outline of a consumer protection officer system bill to be presented to the current Diet session. The bill centers on giving authority to the envisaged consumer protection officer on a par with that of the prime minister. To that end, the post of a consumer protection officer who will be responsible for protecting the right of consumers would be created independent of the cabinet. The officer would also be empowered to give recommendations to government agencies to exercise their forcible investigation right. The party will map out an interim report at a meeting of the "Next Cabinet" to be held on April 23 and formally adopt the plan possibly within May, after final coordination.

The DPJ bill is a counterproposal to Prime Minister Yasuo Fukuda's consumer agency initiative. The bill characterizes the status of the envisaged consumer protection officer as a position having the fourth right, following the three branches of government-legislative, administrative and judicial, taking the view that it would be impossible to control existing government agencies, which are tilting toward business operators, just by unifying consumer-related administrative offices of relevant government agencies.

The selection of a consumer protection officer would be based on Diet approval and attestation by the Emperor, instead of the existing personnel appointment system requiring Diet approval under which the government proposes candidates to the Diet. The tenure would be six years. There would be no reappointments. The new post would be responsible for providing giving council and guidance on and investigating consumer-related issues.

13) Upper chamber to veto sympathy budget

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TOKYO SHIMBUN (Page 2) (Full)  
April 23, 2008

The leading opposition Democratic Party of Japan (Minshuto) decided yesterday to take a vote in a meeting tomorrow of the House of Councillors Foreign Affairs and Defense Committee and in a plenary sitting on Apr. 25 of the House of Councillors on a special measures agreement proposed by the government for Japan's continued burden sharing of costs for the stationing of U.S. forces in Japan (omoiyari yosan or literally "sympathy budget"). The proposed special agreement will be voted down with a majority of votes from the DPJ and other opposition parties, including the Japanese Communist Party and the Social Democratic Party. The special agreement is a kind of treaty, for which the Constitution stipulates that the House of Representatives' decision takes precedence over the House of Councillors' decision. Accordingly, the special agreement will be approved in a joint committee of both houses on Apr. 25 and is expected to take effect by early May. According to the Foreign Ministry, the upper chamber will vote down a treaty for the first time.

14) Ishiba feels "something wrong" with ASDF top brass officer's remark over court ruling

TOKYO SHIMBUN (Page 2) (Full)  
April 23, 2008

Defense Minister Shigeru Ishiba, meeting the press yesterday, chided Air Self-Defense Force Chief of Staff Toshio Tamogami for using an inappropriate expression when commenting on a Nagoya High Court ruling that judged the ASDF mission in Iraq to be unconstitutional. Tamogami used a popular comedian's signature phrase to say, "Sonna no kankei nee (That doesn't concern us)." Ishiba said, "I feel something wrong with his choice of words."

At the same time, Ishiba showed his understanding to a certain extent, saying: "I guess that he, as the ASDF chief of staff, didn't want the court ruling to affect the morale of the ASDF members working over there. Given this, I can understand well that he wanted to emphasize that the ASDF members are engaged in the mission under the Constitution."

15) Ruling parties, DPJ agree to submit basic space bill to Diet this week allowing country to use space for defense purposes

MAINICHI (Page 5) (Abridged slightly)  
April 23, 2008

The Liberal Democratic Party, New Komeito, and the Democratic Party of Japan agreed yesterday to submit to the Diet as early as later this week a basic space bill to expand the government's space policy with the aim of enacting it in the ongoing Diet session. The legislation aims to enhance the government's efforts by setting up what is tentatively called the space bureau in the Cabinet Office and to expand the objective of developing and using space to include defense purposes. The bill stipulates, "Promotion of the development and use of space contributing to the security of Japan." Pointing to a shift in the government's policy that has been limited to nonmilitary purposes, the legislation is likely to cause controversy.

The government has taken a nonmilitary stance based on a 1969 Diet

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resolution confining the development and use of space to peaceful purposes. But following North Korea's firing of a Taepodong missile in 1998, the government launched three intelligence-gathering satellites. Although they have been operated to deal with disasters and other events in accordance with the principle of peaceful use, some observers have described them as reconnaissance satellites in effect.

The LDP, New Komeito, and DPJ shared the need to dissolve the discrepancy with the reality. Specifically, the three parties reached a basic agreement to: (1) set up space development strategic headquarter in the cabinet to serve as an apace policy control tower; (2) establish a space bureau in the Cabinet Office in one year after the law's enforcement; and (3) review the Japan Aerospace Exploration Agency (JAXA). The envisaged space bureau, a Japanese-style NASA, is to plan space policies.

Based on the basic agreement, the ruling parties will withdraw a similar bill presented to the House of Representatives in June 2007, and the three parties will jointly craft a new bill to submit it to the ongoing Diet session. But because cautious views exist in the New Komeito and the DPJ about developing and using space for military purposes, the draft bill stipulates, "Space development shall be pursued in line with the Constitution's pacifist principles."

SCHIEFFER